

ALLEN PARISH POLICE JURY

Oberlin, Louisiana

ANNUAL FINANCIAL STATEMENTS

As of December 31, 2011 and for the Year Then Ended

CONTENTS

INDEPENDENT AUDITOR'S REPORT	2-3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Assets - Governmental Activities	5
Statement of Activities	6
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	7
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets	8
Statement of Revenues, Expenditures, and Changes in Fund Balances	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Fiduciary Funds:	
Statement of Fiduciary Net Assets	11
NOTES TO THE FINANCIAL STATEMENTS	12
REQUIRED SUPPLEMENTAL INFORMATION	
Budgetary Comparison Schedules	31-37
Notes to Budgetary Comparison Schedules	38
Schedule of Funding Progress	39
OTHER SUPPLEMENTAL SCHEDULES	
Schedule of Compensation Paid Elected Officials	41
Schedule of Expenditures of Federal Awards	42
Notes to Schedule of Expenditures of Federal Awards	43
INDEPENDENT AUDITOR'S REPORT SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	45-46
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	47-48
Schedule of Findings and Questioned Costs	49-53
Status of Prior Audit Findings	54

Stutzman & Gates, LLC

Certified Public Accountants

Members:

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Allen Parish Police Jury
Oberlin, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Allen Parish Police Jury, as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents. These financial statements are the responsibility of the Allen Parish Police Jury's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units is not reasonably determinable.

In our opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Allen Parish Police Jury, as of December 31, 2011, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, except for the effects of omitting blended component units as discussed above, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Allen Parish Police Jury, as of December 31, 2011, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Further, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Allen Parish Police Jury as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

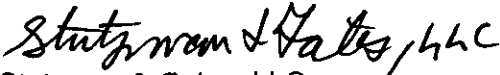
As described in Note 1 to the financial statements, the Allen Parish Police Jury adopted the provisions for GASB Statement No. 54, *Fund Balance and Governmental Fund Type Definitions*, in 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012, on our consideration of the Allen Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 31 through 37 and Schedule of Funding Progress on page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Allen Parish Police Jury has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement to the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Allen Parish Police Jury's primary government financial statements as a whole. The Schedule of Compensation Paid Elected Officials on page 41 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of compensation paid elected officials and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


Stutzman & Gates, LLC
June 29, 2012

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Statement of Net Assets - Governmental Activities
December 31, 2011

ASSETS

Cash	\$ 5,106,867
Receivables	3,443,686
Prepaid assets	7,870
Bond issuance costs, net of accumulated amortization	2,039
Capital assets, net of accumulated depreciation	<u>26,332,736</u>

TOTAL ASSETS 34,893,198

LIABILITIES

Accounts payable	874,309
Accrued interest payable	2,990
Bonds payable - due within one year	173,000
Compensated absences payable - due within one year	30,300
Due to agency fund	5,000
OPEB obligations - due in more than one year	582,546
Bonds payable - due in more than one year	<u>249,000</u>

TOTAL LIABILITIES 1,917,145

NET ASSETS

Invested in capital assets, net of related debt	25,910,736
Restricted for:	
Judicial	106,887
Other general government	571,472
Public safety	24,244
Public works	4,806,041
Payments to other governments	15,949
Economic development	4,104
Sanitation	452,440
Capital projects	204,261
Debt service	187,899
Unrestricted	<u>692,020</u>

TOTAL NET ASSETS \$ 32,976,053

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Statement of Activities
For the Year Ended December 31, 2011

		Program Revenues			Governmental Activities
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Assets
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental activities:					
General government	\$ 1,569,320	\$ 461,256	\$ 473,552	\$ -	\$ (634,512)
Public safety	972,165	-	155,461	17,285	(799,419)
Public works	5,587,179	-	47,759	4,305,115	(1,234,305)
Economic development	215,243	75,363	230,696	1,925,672	2,016,488
Other governments	540,553	-	-	311,308	(229,245)
Interest on long-term debt	8,868	-	-	-	(8,868)
Total governmental activities	<u>\$ 8,893,328</u>	<u>\$ 536,619</u>	<u>\$ 907,468</u>	<u>\$ 6,559,380</u>	<u>\$ (889,861)</u>
GENERAL REVENUES					
Taxes:					
Ad valorem					2,508,991
Sales and use					1,646,604
Severance					1,428,906
Other					2,090
Licenses and permits					122,111
All other revenues					860,591
Investment earnings					<u>12,442</u>
Total General Revenues					<u>6,581,735</u>
CHANGE IN NET ASSETS					5,691,874
NET ASSETS - BEGINNING (AS RESTATED)					<u>27,284,179</u>
NET ASSETS - ENDING					<u>\$ 32,976,053</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Balance Sheet, Governmental Funds
December 31, 2011

	GENERAL FUND	SOLID WASTE FUND	HOSPITAL RETROFIT FUND	COMPACT FUND	S. PARALLEL TAXIWAY FUND
ASSETS					
Cash	\$ 351,594	\$ 456,304	\$ 53,918	\$ 736,259	\$ 22
Receivables	550,573	121,239	221,103	109,389	96,370
Due from other funds	337,961	-	-	-	-
Prepaid assets	7,870	-	-	-	-
TOTAL ASSETS	\$ 1,247,998	\$ 577,543	\$ 275,021	\$ 845,648	\$ 96,392
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 134,808	\$ 125,103	\$ 259,222	\$ -	\$ 96,370
Due to agency fund	5,000	-	-	-	-
Due to other funds	4,700	-	-	300,000	-
Total Liabilities	144,508	125,103	259,222	300,000	96,370
Fund Balances:					
Nonspendable - prepaids	7,870	-	-	-	-
Restricted:					
Judicial	-	-	-	-	-
Other general government	-	-	-	545,648	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Payments to other governments	15,949	-	-	-	-
Economic development	-	-	-	-	-
Sanitation	-	452,440	-	-	-
Capital projects	-	-	15,799	-	22
Debt service	-	-	-	-	-
Committed:					
Judicial	-	-	-	-	-
Other general government	-	-	-	-	-
Assigned:					
Other general government	-	-	-	-	-
Public works	-	-	-	-	-
Unassigned	1,079,671	-	-	-	-
Total Fund Balances	1,103,490	452,440	15,799	545,648	22
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,247,998	\$ 577,543	\$ 275,021	\$ 845,648	\$ 96,392

The accompanying notes are an integral part of this statement.

ROAD DISTRICT #1 MTC. FUND	ROAD DISTRICT #2 MTC. FUND	ROAD DISTRICT #3 MTC. FUND	ROAD DISTRICT #4 MTC. FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 205,593	\$ 1,204,949	\$ 1,041,384	\$ 63,397	\$ 993,447	\$ 5,106,867
299,525	533,149	604,247	192,010	529,348	3,256,953
-	-	-	-	9,565	347,526
-	-	-	-	-	7,870
<u>\$ 505,118</u>	<u>\$ 1,738,098</u>	<u>\$ 1,645,631</u>	<u>\$ 255,407</u>	<u>\$ 1,532,360</u>	<u>\$ 8,719,216</u>

\$ 19,366	\$ 33,809	\$ 34,111	\$ 11,318	\$ 160,202	\$ 874,309
-	-	-	-	-	5,000
-	-	-	-	42,826	347,526
<u>19,366</u>	<u>33,809</u>	<u>34,111</u>	<u>11,318</u>	<u>203,028</u>	<u>1,226,835</u>

-	-	-	-	-	7,870
-	-	-	-	-	-
-	-	-	-	106,887	106,887
-	-	-	-	25,824	571,472
-	-	-	-	24,244	24,244
485,752	1,704,289	1,611,520	244,089	760,391	4,806,041
-	-	-	-	-	15,949
-	-	-	-	4,104	4,104
-	-	-	-	-	452,440
-	-	-	-	188,440	204,261
-	-	-	-	187,899	187,899
-	-	-	-	9,468	9,468
-	-	-	-	1,258	1,258
-	-	-	-	11,959	11,959
-	-	-	-	8,858	8,858
-	-	-	-	-	1,079,671
<u>485,752</u>	<u>1,704,289</u>	<u>1,611,520</u>	<u>244,089</u>	<u>1,329,332</u>	<u>7,492,381</u>

<u>\$ 505,118</u>	<u>\$ 1,738,098</u>	<u>\$ 1,645,631</u>	<u>\$ 255,407</u>	<u>\$ 1,532,360</u>	<u>\$ 8,719,216</u>
-------------------	---------------------	---------------------	-------------------	---------------------	---------------------

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
December 31, 2011

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS AT DECEMBER 31, 2011	\$	7,492,381
---	----	-----------

Total net assets reported for governmental activities in the
Statement of Net Assets is different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported
in the funds.

Capital assets, net of accumulated depreciation	26,332,736
Bond issuance costs, net of accumulated amortization	2,039

Certain property tax revenue receivable that will not be collected within 60 days of year end are not considered available in the governmental funds.	186,733
---	---------

Certain liabilities are not due and payable in the current
period and accordingly are not reported as fund
liabilities. All liabilities are reported in the statement
of net assets.

Bonds payable	\$	422,000	
Accrued interest payable		2,990	
OPEB obligations		582,546	
Compensated absences payable		30,300	(1,037,836)

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES AT DECEMBER 31, 2011	\$	<u>32,976,053</u>
---	----	-------------------

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	GENERAL FUND	SOLID WASTE FUND	HOSPITAL RETROFIT FUND	COMPACT FUND	S. PARALLEL TAXIWAY FUND
REVENUES					
Taxes:					
Ad valorem	\$ 247,509	\$ -	\$ -	\$ -	\$ -
Sales and use	-	1,590,386	-	-	-
Other taxes, penalties, interest, etc.	2,090	-	-	-	-
Licenses and permits	77,596	-	-	-	-
Intergovernmental revenues:					
Federal and state grants	230,695	-	311,308	-	1,762,242
State funds:					
Parish transportation funds	-	-	-	-	-
State revenue sharing (net)	16,261	-	-	-	-
Severance taxes	1,428,906	-	-	-	-
Bridge donations	-	-	-	-	-
Other state funds	106,819	-	-	-	-
Fees, charges and commissions					
for services	9,383	-	-	-	-
Fines and forfeitures	8,079	-	-	-	-
Gaming revenues	-	-	-	437,556	-
Investment earnings	1,112	666	148	285	-
Other revenues	57,354	-	-	-	-
TOTAL REVENUES	2,185,804	1,591,052	311,456	437,841	1,762,242
EXPENDITURES					
Current:					
General government:					
Legislative	147,223	-	-	-	-
Judicial	234,275	-	-	-	-
Elections	32,220	-	-	-	-
Financial and administrative	76,022	-	-	-	-
Other	408,424	-	-	-	-
Public safety	512,719	-	-	-	-
Public works	-	1,626,796	-	73	-
Payments to other governments	244,896	-	295,657	-	-
Economic development and assistance	49,591	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Capital outlay	2,245	-	-	-	1,762,221
TOTAL EXPENDITURES	1,707,615	1,626,796	295,657	73	1,762,221
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	478,189	(35,744)	15,799	437,768	21
OTHER FINANCING SOURCES (USES):					
Bond proceeds	-	-	-	-	-
Transfers in	358,177	-	-	-	512
Transfers out	(776,587)	-	-	(300,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(418,410)	-	-	(300,000)	512
NET CHANGE IN FUND BALANCE	59,779	(35,744)	15,799	137,768	533
FUND BALANCES - BEGINNING (AS RESTATED)	1,043,711	488,184	-	407,880	(511)
FUND BALANCES - ENDING	\$ 1,103,490	\$ 452,440	\$ 15,799	\$ 545,648	\$ 22

The accompanying notes are an integral part of this statement.

ROAD DISTRICT #1 MTC. FUND	ROAD DISTRICT #2 MTC. FUND	ROAD DISTRICT #3 MTC. FUND	ROAD DISTRICT #4 MTC. FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 311,108	\$ 588,519	\$ 623,410	\$ 206,819	\$ 474,199	\$ 2,451,564
-	-	-	-	56,218	1,646,604
-	-	-	-	-	2,090
-	-	-	-	44,515	122,111
-	-	-	-	390,151	2,694,396
-	-	-	-	340,467	340,467
30,324	42,268	31,762	30,606	16,545	167,766
-	-	-	-	-	1,428,906
1,606,152	318,407	247,568	1,275,253	775,950	4,223,330
-	5,000	-	-	65,569	177,388
-	-	-	-	96,099	105,482
-	-	-	-	423,057	431,136
-	-	-	-	21,876	459,432
4,706	2,582	1,667	173	1,103	12,442
7,110	82,418	17,400	11,381	88,997	264,660
<u>1,959,400</u>	<u>1,039,194</u>	<u>921,807</u>	<u>1,524,232</u>	<u>2,794,746</u>	<u>14,527,774</u>
-	-	-	-	-	147,223
-	-	-	-	398,514	632,789
-	-	-	-	-	32,220
-	-	-	-	-	76,022
-	-	-	-	92,817	501,241
-	-	-	-	183,630	696,349
237,423	1,198,947	336,330	203,484	1,348,170	4,951,223
-	-	-	-	-	540,553
-	-	-	-	77,079	126,670
-	-	-	-	176,000	176,000
-	-	-	-	11,118	11,118
-	-	-	-	368	368
1,609,578	428,718	277,091	1,281,841	1,080,008	6,441,702
<u>1,847,001</u>	<u>1,627,665</u>	<u>613,421</u>	<u>1,485,325</u>	<u>3,367,704</u>	<u>14,333,478</u>
<u>112,399</u>	<u>(588,471)</u>	<u>308,386</u>	<u>38,907</u>	<u>(572,958)</u>	<u>194,296</u>
-	-	-	-	200,000	200,000
-	-	-	-	978,794	1,337,483
(24,507)	-	-	(37,217)	(199,172)	(1,337,483)
(24,507)	-	-	(37,217)	979,622	200,000
87,892	(588,471)	308,386	1,690	406,664	394,296
397,860	2,292,760	1,303,134	242,399	922,668	7,098,085
<u>\$ 485,752</u>	<u>\$ 1,704,289</u>	<u>\$ 1,611,520</u>	<u>\$ 244,089</u>	<u>\$ 1,329,332</u>	<u>\$ 7,492,381</u>

ALLEN PARISH POLICE JURY
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2011

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$	394,296
--	----	---------

Amounts reported for governmental activities in the statement
 of activities are different because:

Governmental funds report capital outlays as expenditures,
 however, in the statement of activities the cost of those
 assets is allocated over their estimated useful lives and
 reported as depreciation expense. This is the amount by
 which capital outlay exceeded depreciation expense:

Capital outlay - net of intergovernmental reimbursement	\$	6,441,702	
Depreciation expense		<u>(990,159)</u>	5,451,543

Certain property tax revenues receivable will not be collected for several months after year end are not considered available in the governmental funds.		57,429
--	--	--------

Bond issue costs are an expenditure in the governmental funds, but increases assets in the statement of net assets.		368
--	--	-----

Repayment of bond principal is an expenditure in the governmental funds but reduces long-term liabilities in the statement of net assets.		176,000
---	--	---------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.		(200,000)
---	--	-----------

In the statement of activities some expenses do not require
 the use of current financial resources and therefore are not
 reported as expenditures in the governmental funds.

Prior year accrued interest payable exceeded the current year payable.		2,250
---	--	-------

Prior year compensated absences exceeded the current year payable.		12,921
---	--	--------

Bond issue amortization for the current year.		(939)
---	--	-------

OPEB obligations exceed the prior year obligations		<u>(201,994)</u>
--	--	------------------

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>5,691,874</u>
---	----	------------------

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Statement of Fiduciary Net Assets
December 31, 2011

	AGENCY FUND
	<hr/>
Assets	
Cash and cash equivalents	\$ 357,138
Receivables	55,650
Due from other funds	<hr/> 5,000
	<hr/>
Total Assets	417,788
	<hr/>
Liabilities	
Held for others	417,788
	<hr/>
Total Liabilities	417,788
	<hr/>
Net Assets	\$ <hr/> - <hr/>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

INTRODUCTION

The Allen Parish Police Jury is the governing authority for Allen Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms that expire on January 1, 2012.

Louisiana Revised Statute (R.S.) 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, gaming revenues, and various other state and federal grants.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The police jury has oversight of other component units that are, either, blended into the police jury's basic financial statements or discretely presented in a separate column in the government-wide financial statements.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of its component units are included in the accompanying financial statements.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with U. S. generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

Considered in the determination of component units of the reporting entity were the Allen Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Allen Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Allen Parish Police Jury.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental funds account for all of the police jury's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations. Governmental funds include the following:

1. The General Fund is the general operating fund of the police jury and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
3. Debt service funds account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds are described below:

The General Fund is the police jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Solid Waste Fund accounts for the proceeds of a sales tax to be used for the collection and disposal of solid waste in Allen Parish.

The Hospital Retrofit Fund accounts for grant revenue received and the costs associated with certain improvements to the Allen Parish Hospital.

The Compact Fund accounts for the receipt and disbursement of grant revenues received from the Coshatta Tribe of Louisiana.

The S. Parallel Taxiway Fund accounts for grant revenue received and the costs of constructing a new taxiway at the Allen Parish airport.

The Road District No. 1 Maintenance Fund accounts for ad valorem taxes and state revenue sharing funds received and for the costs associated with constructing and maintaining the road system within Road District No. 1.

The Road District No. 2 Maintenance Fund accounts for ad valorem taxes and state revenue sharing funds received and for the costs associated with constructing and maintaining the road system within Road District No. 2.

The Road District No. 3 Maintenance Fund accounts for ad valorem taxes and state revenue sharing funds received and for the costs associated with constructing and maintaining the road system within Road District No. 3.

The Road District No. 4 Maintenance Fund accounts for ad valorem taxes and state revenue sharing funds received and for the costs associated with constructing and maintaining the road system within Road District No. 4.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Additionally, the government reports the following fund types:

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the police jury. Fiduciary funds include:

- A. Agency funds account for assets that the police jury holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When an expense is incurred for which both restricted and unrestricted net assets are available, it is the police jury's policy to apply restricted net assets first.

C. Deposits and Investments

The police jury's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the police jury's investment policy allow the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Receivables and Payables

	Authorized Millage	Levied Millage	Expiration Date
Parish wide taxes:			
General	3.53	3.53	-
Special revenue funds:			
District Maintenance taxes:			
No. 1	10.35	10.35	2021
No. 1	23.40	23.40	2015
No. 1A	8.10	8.10	2015
No. 2	5.52	5.52	2021
No. 2	7.48	7.48	2020
No. 2	11.04	11.04	2021
No. 3	9.63	9.63	2021
No. 3	10.95	10.95	2019
No. 3	37.41	37.41	2015
No. 4	31.35	31.35	2015
No. 4	21.95	21.95	2015
No. 5	5.30	5.30	2012
No. 5	10.00	10.00	2019
No. 5A	3.21	3.21	2015

The following are the principal taxpayers for the parish and related ad valorem tax revenue for the police jury:

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation
Cleco Corporation	Utility	\$ 3,997,880	5.28%
Texas Eastern Transmission	Utility	3,794,110	5.01%
Transcontinental Gas Pipeline	Utility	3,132,500	4.13%
Total		<u>\$ 10,924,490</u>	<u>14.42%</u>

Sales Taxes. On September 29, 1984, voters of the parish approved a seven-tenths of one per cent sales tax, which is dedicated to the collection and disposal of solid waste. The tax is for a fifteen year period and expires on November 30, 1999. Effective January 1, 1985, the jury entered into an agreement with the Allen Parish School Board whereby the school board will provide collection services for a fee of two percent of total collections. On November 20, 1999, voters of the parish renewed this tax for a fifteen year period and the tax expires on November 30, 2014.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$1,500 or more for capitalizing capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Capital Assets

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Roads, bridges, and infrastructure	40 – 50 years
Buildings and building improvements	20 – 40 years
Furniture and fixtures	5 – 10 years
Vehicles	5 – 10 years
Equipment	5 – 15 years

F. Compensated Absences

The police jury has the following policy relating to vacation and sick leave:

Employees of the Allen Parish Police Jury receive from 5 to 20 days of vacation leave each year, depending on their length of service. Vacation leave must be used in the year earned or it is forfeited. In addition, police jury employees earn up to 13 days of sick leave each year. Sick leave can be accumulated without limitation, however, accumulated sick leave is forfeited upon termination of employment.

Permanent employees of the Allen Parish Police Jury earn compensatory time at the rate of 1.5 per hour for overtime hours worked. Effective this year, any compensatory time accumulated by April 2, 2011 and any compensatory time earned in the months to follow shall all be used or lost on December 31, 2011 and each succeeding year thereafter. Unused compensatory time at the time of termination will be paid to the employee at that time.

For 2011 only, employees will have the option to sell or buy back up to 80 hours of accumulated compensatory or vacation time. This distribution will be paid on December 9, 2011. Employees must request this buyback by December 2, 2011.

The police jury's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Compensated Absences

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches.

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, no compensated absences liability is recorded.

G. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize both premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

H. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either, 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or 2) imposed by law through constitutional provisions or enabling legislation.

I. Equity Classifications

Government-wide financial statements –

The police jury's net assets are reported in three parts: (1) invested in capital assets, net of related debt, (2) restricted net assets, and (3) unrestricted net assets.

Fund financial statements –

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Equity Classifications

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and for property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can only be spent for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Allen Parish Police Jury (the police jury's highest level of decision-making authority),
4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the police jury or by an official or body to which the police jury delegates the authority,
5. *Unassigned* fund balance category includes amounts that are available for any purpose and are only reported in the general fund.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the police jury considers restricted funds to have been spent first.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the police jury considers amounts to have been spend first out of committed funds, then assigned funds, and finally unassigned funds, as need, unless the police jury has provided otherwise in its commitment or assignment actions.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION The police jury uses the following budget practices:

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Preliminary budgets for the ensuing year are prepared on the GAAP basis by the secretary-treasurer beginning in October. The finance committee reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. Prior to its regular February meeting of the next year, the jury holds a public hearing on the proposed budgets in order to receive comments from citizens. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during January, and notice is published in the official journal.

The secretary-treasurer presents necessary budget amendments to the jury when actual operations are differing materially from those anticipated in the original budget. The jury in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in jury minutes published in the official journal. The police jury exercises budgetary control at the functional level. Within functional levels, the secretary-treasurer has the authority to make amendments as necessary. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. For the year ended December 31, 2011, the police jury adopted budgets for the General Fund, all special revenue funds, all capital projects funds, and all debt service funds.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and the final amendments. The budget was amended once during 2011.

3. CASH AND CASH EQUIVALENTS

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the Allen Parish Police Jury, the police jury maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The police jury does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The police jury places no limit on the amount the police jury may invest in any one issuer.

At December 31, 2011, the police jury has cash and cash equivalents (book balances) totaling \$5,464,005 as follows:

Demand deposits	\$	117,988
Interest-bearing demand deposits		5,211,327
Time deposits		134,690
Total	\$	<u>5,464,005</u>

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2011, the police jury has \$5,555,474 in deposits (collected bank balances). These deposits are secured from risk by \$369,988 of federal deposit insurance and \$5,185,486 of pledged securities held by the custodial bank in the name of the fiscal agency bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

4. RECEIVABLES

The receivables of \$3,312,603 at December 31, 2011, are as follows:

Class of Receivable		
Taxes:		
Ad valorem	\$	2,185,277
Sales and use		121,239
Other		6,606
Intergovernmental-grants:		
Federal		364,508
State		92,116
Other		542,857
Total	\$	<u>3,312,603</u>

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes.

All other receivable amounts are expected to be collected in full within the next year; therefore, no allowance for doubtful accounts has been established.

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2011, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Construction in progress	\$ 1,032,808	\$ 1,778,330	\$ 340,695	\$ 2,470,443
Land	572,300	-	-	572,300
Total capital assets, not being depreciated	<u>\$ 1,605,108</u>	<u>\$ 1,778,330</u>	<u>\$ 340,695</u>	<u>\$ 3,042,743</u>
Capital assets being depreciated				
Buildings	\$ 4,458,374	\$ -	\$ -	\$ 4,458,374
Improvements other than buildings	3,193,714	325,292	-	3,519,006
Furniture and fixtures	286,404	85,651	-	372,055
Vehicles	867,973	101,908	89,927	879,954
Machinery and equipment	4,114,555	267,887	56,208	4,326,234
Infrastructure	23,811,586	4,223,329	442,500	27,592,415
Total capital assets being depreciated	<u>36,732,606</u>	<u>5,004,067</u>	<u>588,635</u>	<u>41,148,038</u>
Less accumulated depreciation for:				
Buildings	1,487,298	99,584	-	1,586,882
Improvements other than buildings	1,781,480	77,010	-	1,858,490
Furniture and fixtures	260,409	9,708	-	270,117
Vehicles	702,508	34,808	89,927	647,389
Machinery and equipment	2,559,300	253,212	56,208	2,756,304
Infrastructure	10,665,526	515,837	442,500	10,738,863
Total accumulated depreciation	<u>17,456,521</u>	<u>990,159</u>	<u>588,635</u>	<u>17,858,045</u>
Total capital assets being depreciated, net	<u>\$ 19,276,085</u>			<u>\$ 23,289,993</u>

5. CAPITAL ASSETS

Depreciation expense of \$990,159 for the year ended December 31, 2011, was charged to the following governmental functions:

General government	\$	111,828
Public works		648,210
Economic development		88,573
Public safety		141,548
Total	\$	<u>990,159</u>

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2011 is as follows:

Due To/From Other Funds:

Receivable Fund	Payable Fund	
General Fund	Compact Fund	\$ 300,000
General Fund	Nonmajor Funds	37,961
Nonmajor Funds	Nonmajor Funds	4,865
Nonmajor Funds	General Fund	4,700
Total		<u>\$ 347,526</u>

Interfund receivables/payables consist of the outstanding balances from activity between funds. These balances are expected to be repaid during 2011.

Interfund Transfers:

From	To	
S. Parallel Fund	General Fund	\$ 512
Compact Fund	General Fund	300,000
Road District #1 Fund	Nonmajor Funds	24,507
Road District #1 Fund	Nonmajor Funds	37,217
Nonmajor Funds	Nonmajor Funds	194,853
General Fund	General Fund	54,572
Nonmajor Funds	General Fund	3,605
General Fund	Nonmajor Funds	722,217
Total		<u>\$ 1,337,483</u>

The police jury makes routine transfers between funds to pay routine expenses that occur during the year and to pay debt service on debt as it becomes due.

7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$874,309 at December 31, 2011, are as follows:

Salaries	\$	48,672
Withholdings		1,661
Accounts		823,976
Total	\$	<u>874,309</u>

8. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2011:

	Bonded Debt	Compensated Absences	Other Post- Employment Benefits	Total
Long-term obligations at Beginning of Year	\$ 398,000	\$ 43,221	\$ 380,552	\$ 821,773
Additions	200,000	104	201,994	402,098
Deductions	176,000	13,025	-	189,025
Long-term obligations at End of Year	<u>\$ 422,000</u>	<u>\$ 30,300</u>	<u>\$ 582,546</u>	<u>\$ 1,034,846</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2011:

	Bonded Debt	Compensated Absences	Other Post- Employment Benefits	Total
Current portion	\$ 173,000	\$ 30,300	\$ -	\$ 203,300
Long-term portion	249,000	-	582,546	831,546
Total	<u>\$ 422,000</u>	<u>\$ 30,300</u>	<u>\$ 582,546</u>	<u>\$ 1,034,846</u>

All parish bonds outstanding at December 31, 2011, for \$422,000 are general obligations bonds with maturities from 2012 to 2020 and interest rates from 0-% to 4.5%. Bond principal and interest payable in the next fiscal year are \$173,000 and \$12,032 respectively. The individual issues are as follows:

Bond	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	Funding Source
C.O.I. Series 2002-A	450,000	4.40%	02/01/2012	1,210	55,000	Ad valorem tax
C.O.I. Series 2002-B	425,000	4.50%	02/01/2012	1,350	60,000	Ad valorem tax
C.O.I. Series 2010	55,000	3.20%	03/01/2013	1,025	38,000	Ad valorem tax
C.O.I. Series 2010	60,000	2.15%	03/01/2015	1,795	49,000	Ad valorem tax
C.O.I. Series 2010	29,000	3.25%	03/01/2013	650	20,000	Ad valorem tax
C.O.I. Series 2011	200,000	3.15%	03/01/2020	30,076	200,000	Ad valorem Tax

8. LONG-TERM OBLIGATIONS

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At December 31, 2011, the police jury has accumulated \$187,737 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2012	\$ 173,000	\$ 12,032	\$ 185,032
2013	61,000	5,766	66,766
2014	33,000	4,675	37,675
2015	35,000	3,961	38,961
2016	22,000	3,339	25,339
2017-2020	98,000	6,333	104,333
Total	<u>\$ 422,000</u>	<u>\$ 36,106</u>	<u>\$ 458,106</u>

In accordance with R.S. 39:562, the police jury is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At December 31, 2011, the statutory limit is \$26,517,894, and outstanding bonded debt totals \$422,000.

Compensated absences have typically been liquidated by the following governmental funds: General Fund and Parish Road Fund.

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of funds through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. The Police Jury is not substantially in compliance with all such significant limitations and restrictions at December 31, 2011.

9. RETIREMENT SYSTEMS

PLAN DESCRIPTION. Substantially all employees for the financial reporting entity are members of the following cost-sharing, multiple-employer defined benefit pension plan, administered by a separate board of trustees:

<u>Entity</u>	<u>Retirement System</u>
Police Jury	Parochial Employees' Retirement System (Parochial Plan A and Plan B)

Employee Eligibility Requirements:

Parochial Plan A and Plan B

All employees working at least 28 hours per week and all elected parish officials are eligible to participate.

Retirement Benefits:

	<u>Minimum Age</u>	<u>Years of Service</u>	<u>Factor</u>	<u>Percent of Final Average Salary</u>
Parochial Plan A	60	10	3%	30%
	55	25	3%	75%
	Any age	30	3%	90%
Parochial Plan B	62	10	2%	20%
	55	30	2%	60%

9. RETIREMENT SYSTEMS

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Each of the pension plans also provides death and disability benefits. Benefits are established or amended by state statute.

The retirement system issues an annual publicly available financial report that includes financial statements and required supplementary information. These reports may be obtained by writing or calling the particular retirement system. The following is the mailing address and phone number for the retirement system:

- **Parochial Employees' Retirement System**, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, (504) 928-1361.

Funding Policy. State statute requires covered employees to contribute a percentage of their salaries to the pension plans. As provided by R.S. 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The required contribution rates by retirement system follows:

Parochial Employees' Retirement System. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. Contributions to the retirement system also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The employer's contributions to the retirement system under Plan A for the years ending December 31, 2011, 2010, and 2009, were \$156,532, \$164,833, and \$131,980, respectively, equal to the required contributions for each year.

10. OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description. The Police Jury administers a single-employer defined health benefit retirement plan as authorized by the Police Jury. The Plan provides lifetime health insurance for employees that retire with at least seven years of full-time service. The Plan pays 50% of health insurance cost for retirees up to \$300 per month. The Plan does not issue a publicly available financial report.

The Police Jury has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2011, the Police Jury recognizes the cost of postemployment benefits in the year when employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Police Jury's future cash flows. Because the Police Jury has adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years is being phased in over 30 years, commencing with the 2009 liability.

Annual OPEB Cost and Net OPEB Obligation. The Police Jury's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC). The Police Jury has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers with plans that have fewer than 100 total members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Police Jury's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Police Jury's net OPEB obligation to the Plan:

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

Annual required contribution	\$ 214,580
Interest on net OPEB obligation	15,222
Adjustment to annual required contribution	(15,532)
Annual OPEB cost	214,270
Contributions made	12,276
Increase in net OPEB obligation	201,994
Net OPEB obligation, beginning of year	380,552
Net OPEB obligation, end of year	\$ 582,546

The Police Jury's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2011, 2010, and 2009 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
12/31/2011	\$ 214,270	5.7%	\$ 582,546
12/31/2010	\$ 194,442	2.4%	\$ 380,552
12/31/2009	\$ 194,439	1.9%	\$ 190,728

Funding Policy, Funded Status, and Funding Progress. The Plan is financed on a pay-as-you-go basis, therefore no funds are reserved for payment of future health insurance premiums. Based on a plan valuation performed as of December 31, 2011; the actuarial accrued liability for benefits was \$1,418,298, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$1,214,408, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 117%, 119%, and 107% as of December 31, 2011, 2010, and 2009, respectively.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

The following simplifying assumptions were made:

Retirement age for active employees- Active members were assumed to retire based on the following:

Average age of 50 was used.

Marital status- 80% of participants are assumed to be married at retirement.

Mortality- Life expectancies were based on the following mortality rates:

Pre-retirement: Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2012 using Scale AA.

Post-retirement: Sex Distinct RP 2000 Combined Healthy Mortality Table projected to 2012 using Scale AA.

Turnover- Withdrawal rates from 12% for less than one year in plan to 1% for greater than fifteen years in plan. Disability rates from .006% for ages 18-34 to .195% for ages 60 or more. Retirement rates from 22% for ages 46-49 to 100% for ages 66 or more.

Healthcare cost trend rate- The expected rate of increase in healthcare insurance premiums was based on projections of the actuary. A rate of 7 percent in 2011, decreased to an ultimate rate of 4.7 percent after 2083, was used.

Health insurance premiums- 2011 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid. Future retirees are assumed to be at maximum reimbursement rate of \$300 per month.

Inflation rate- The expected long-term inflation assumption of 2.75 percent was based on projected changes in the Consumer Price Index (CPI) in *The 2011 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

Payroll growth rate- The expected long-term payroll growth rate was assumed 2.8% per year.

Based on the historical and expected returns of the Police Jury's short-term investment portfolio, a discount rate of 4 percent was used. In addition, the unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over thirty years. The ARC was determined by using the Unit Credit Actuarial Cost Method.

11. CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency funds:				
Capital Improvement Fund	\$ 464,180	\$ 321,312	\$ 367,704	\$ 417,788

12. RISK MANAGEMENT

The police jury is exposed to various risks of loss in the areas of health care, general and auto liability, property hazards, worker's compensation, and employee dishonesty. The police jury maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the policy jury. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The police jury did not reduce insurance coverage in 2011. Due to current insurance market conditions, the police jury is retaining the risk for its general liability exposures in areas where there is no affordable insurance coverage available.

13. CONTINGENT LIABILITIES

At December 31, 2011, the police jury is involved in sixteen lawsuits. Of these lawsuits, legal counsel believes the likelihood of an unfavorable outcome is: 6 reasonably possible and ten remote. In the opinion of legal counsel for the police jury, no estimate of loss can be made for any of these.

The Louisiana Constitution prohibits seizures of a political subdivision's property and provides that no judgment against such a body can be paid until funds are appropriated for that purpose. The police jury's legal counsel expects the Court to limit the scope of the plaintiffs' inquiries into the police jury's finances.

In the normal course of operations, the police jury receives grant funds from various Federal and State agencies. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

The police jury is not in compliance with various debt covenant requirements related to the establishment and funding of sinking funds. See the Schedule of Findings and Questioned Costs #2011-3.

14. DEFICITS IN INDIVIDUAL FUNDS

The following funds reflect a deficit fund balance at December 31, 2011:

Courthouse & Jail Fund	\$17,414
Airport Fund	3,412
Parish Road Fund	19,158
Office of Emergency Preparedness Fund	2,861

15. PRIOR PERIOD ADJUSTMENT

The Allen Parish Police Jury has adjusted the beginning fund balance of the Capital Improvement Fund due to the determination that the fund is an agency fund. Beginning fund balance for this fund was decreased by \$464,180 to \$0. Beginning net assets were decreased by the same amount. Beginning fund balance in other governmental funds were decreased by \$14,505 and beginning net assets were decreased by the same amount.

16. CRIMINAL COURT FUND

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at the year end be transferred to the parish General Fund. The following details the amounts due at December 31, 2011:

Balance in Criminal Court bank account at December 31, 2011	<u>\$ 139,895</u>
Balance due at December 31, 2011	<u>\$ 69,948</u>

The police jury has decided to not transfer the funds due to the fact that the General Fund historically has had to subsidize the Criminal Court Fund and expects to have to do so in 2012.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

17. SUBSEQUENT EVENT REVIEW

The police jury's management has evaluated subsequent events through June 29, 2012, the date which the financial statements were available to be issued.

18. ACCOUNTING CHANGE

The police jury adopted Governmental Accounting Standards (GASB 54) for the year 2011. The statement defines different types of fund balances that a governmental entity must use for financial reporting purposes.

In accordance with GASB Statement 54, beginning fund balance for the governmental funds has been restated as of December 31, 2010. GASB Statement 54 requires that fund balances be reported within specific categories as mentioned in Note 1.

The following beginning fund balances have been restated:

Fund	Fund Balance at December 31, 2010	Fund Balance at December 31, 2010 Restated	Difference
General Fund	\$ 1,129,722	\$ 1,043,711	\$ (86,011)
Parish Road Fund	4,756,284	-	(4,756,284)
Nonmajor Funds	795,211	922,668	127,457
Road Dist #1 Mtc Fund	-	397,860	397,860
Road Dist #2 Mtc Fund	-	2,292,760	2,292,760
Road Dist #3 Mtc Fund	-	1,303,134	1,303,134
Road Dist #4 Mtc Fund	-	242,399	242,399
	<u>\$ 6,681,217</u>	<u>\$ 6,202,532</u>	<u>\$ (478,685)</u>

See Note 15 for explanation of differences.

19. NEW ACCOUNTING PRONOUNCEMENTS

In December 2010, the Governmental Accounting Standards Board (GASB) approved Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. In June 2011, the Governmental Accounting Standards Board (GASB) approved statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position". The statement changes how governments will organize their statements of financial position (such as the current government-wide statement of net assets and the governmental funds balance sheet). Under this standard, financial statements will include deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities, and will report net position instead of net assets. The provisions of GASB Nos. 62 and 63 must be implemented by the police jury for the year ending December 31, 2012. The effect of implementation on the police jury's financial statements has not yet been determined.

REQUIRED SUPPLEMENTAL INFORMATION

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2011

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
REVENUES				
Taxes:				
Ad valorem	\$ 229,000	\$ 229,000	\$ 247,509	\$ 18,509
Other taxes, penalties, interest, etc.	2,000	2,000	2,090	90
Licenses and permits	64,500	64,500	77,596	13,096
Intergovernmental:				
Grants - federal and state	170,000	170,000	230,695	60,695
State funds:				
State revenue sharing (net)	19,000	19,000	16,261	(2,739)
Severance taxes	1,200,000	1,200,000	1,428,906	228,906
Other state funds	106,800	106,800	106,819	19
Fees, charges and commissions for services	9,000	9,000	9,383	383
Fines and forfeitures	30,000	30,000	8,079	(21,921)
Investment earnings	2,900	2,900	1,112	(1,788)
Other revenues	43,700	43,700	57,354	13,654
TOTAL REVENUES	1,876,900	1,876,900	2,185,804	308,904
EXPENDITURES				
General government:				
Legislative	138,934	138,934	147,223	(8,289)
Judicial	275,946	275,946	234,275	41,671
Elections	25,513	25,513	32,220	(6,707)
Financial and administrative	61,580	61,580	76,022	(14,442)
Other	356,363	356,363	408,424	(52,061)
Public safety	420,000	420,000	512,719	(92,719)
Payments to other governments	110,000	110,000	244,896	(134,896)
Economic development and assistance	61,034	61,034	49,591	11,443
Capital outlay	170,000	170,000	2,245	167,755
TOTAL EXPENDITURES	1,619,370	1,619,370	1,707,615	(88,245)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	257,530	257,530	478,189	220,659
OTHER FINANCING SOURCES (USES):				
Transfers in	342,000	342,000	358,177	16,177
Transfers out	(1,119,530)	(1,119,530)	(776,587)	342,943
TOTAL OTHER FINANCING SOURCES (USES)	(777,530)	(777,530)	(418,410)	359,120
NET CHANGE IN FUND BALANCE	(520,000)	(520,000)	59,779	579,779
FUND BALANCE (DEFICIT), BEGINNING (AS RESTATED)	1,043,711	1,043,711	1,043,711	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 523,711	\$ 523,711	\$ 1,103,490	\$ 579,779

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Budgetary Comparison Schedule
Solid Waste Fund
For the Year Ended December 31, 2011

		BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
		ORIGINAL	FINAL		
REVENUES					
Taxes:					
Ad valorem		\$ -	\$ -	\$ -	\$ -
Sales and use		1,300,000	1,300,000	1,590,386	290,386
Intergovernmental:					
Grants - federal and state		-	-	-	-
State funds:					
Parish transportation funds		-	-	-	-
State revenue sharing (net)		-	-	-	-
Other state funds		-	-	-	-
Fines and forfeitures		-	-	-	-
Gaming revenues		-	-	-	-
Investment earnings		1,800	1,800	666	(1,134)
Other revenues		-	-	-	-
TOTAL REVENUES		1,301,800	1,301,800	1,591,052	289,252
EXPENDITURES					
General government:					
Judicial		-	-	-	-
Other		-	-	-	-
Public works		1,791,800	1,791,800	1,626,796	165,004
Payments to other governments		-	-	-	-
Economic development and assistance		-	-	-	-
Capital outlay		-	-	-	-
TOTAL EXPENDITURES		1,791,800	1,791,800	1,626,796	165,004
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		(490,000)	(490,000)	(35,744)	454,256
OTHER FINANCING SOURCES (USES):					
Transfers in		-	-	-	-
Transfers out		-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		-	-	-	-
NET CHANGE IN FUND BALANCE		(490,000)	(490,000)	(35,744)	454,256
FUND BALANCE (DEFICIT), BEGINNING (AS RESTATED)		488,184	488,184	488,184	-
FUND BALANCE (DEFICIT) AT END OF YEAR		\$ (1,816)	\$ (1,816)	\$ 452,440	\$ 454,256

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Budgetary Comparison Schedule
Compact Fund
For the Year Ended December 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing (net)	-	-	-	-
Severance taxes	-	-	-	-
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	420,000	420,000	437,556	17,556
Investment earnings	800	800	285	(515)
Other revenues	-	-	-	-
TOTAL REVENUES	420,800	420,800	437,841	17,041
EXPENDITURES				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	73	(73)
Public works	-	-	-	-
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Debt service	-	-	-	-
Capital outlay	218,800	218,800	-	218,800
TOTAL EXPENDITURES	218,800	218,800	73	218,727
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	202,000	202,000	437,768	235,768
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(500,000)	(500,000)	(300,000)	200,000
TOTAL OTHER FINANCING SOURCES (USES)	(500,000)	(500,000)	(300,000)	200,000
NET CHANGE IN FUND BALANCE	(298,000)	(298,000)	137,768	435,768
FUND BALANCE (DEFICIT), BEGINNING (AS RESTATED)	407,880	407,880	407,880	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 109,880	\$ 109,880	\$ 545,648	\$ 435,768

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Budgetary Comparison Schedule
Road District #1 Maintenance Fund
For the Year Ended December 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem	\$ 306,000	\$ 306,000	\$ 311,108	\$ 5,108
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing (net)	34,000	34,000	30,324	(3,676)
Severance taxes	-	-	-	-
Bridge donations	-	-	1,606,152	1,606,152
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Joint service agreement	-	-	-	-
Investment earnings	1,500	1,500	4,706	3,206
Other revenues	-	-	7,110	7,110
TOTAL REVENUES	341,500	341,500	1,959,400	1,617,900
EXPENDITURES				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	408,045	408,045	237,423	170,622
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	1,609,578	(1,609,578)
TOTAL EXPENDITURES	408,045	408,045	1,847,001	(1,438,956)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(66,545)	(66,545)	112,399	178,944
OTHER FINANCING SOURCES (USES):				
Bond proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(23,455)	(23,455)	(24,507)	(1,052)
TOTAL OTHER FINANCING SOURCES (USES)	(23,455)	(23,455)	(24,507)	(1,052)
NET CHANGE IN FUND BALANCE	(90,000)	(90,000)	87,892	177,892
FUND BALANCE (DEFICIT), BEGINNING (AS RESTATED)	397,860	397,860	397,860	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 307,860	\$ 307,860	\$ 485,752	\$ 177,892

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Budgetary Comparison Schedule
Road District #2 Maintenance Fund
For the Year Ended December 31, 2011

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Ad valorem	\$ 540,000	\$ 540,000	\$ 588,519	\$ 48,519
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing (net)	42,150	42,150	42,268	118
Severance taxes	-	-	-	-
Bridge donations	-	-	318,407	318,407
Other state funds	5,000	5,000	5,000	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Joint service agreement	-	-	-	-
Investment earnings	-	-	2,582	2,582
Other revenues	-	-	82,418	82,418
TOTAL REVENUES	587,150	587,150	1,039,194	452,044
EXPENDITURES				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	2,387,150	2,387,150	1,198,947	1,188,203
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	428,718	(428,718)
TOTAL EXPENDITURES	2,387,150	2,387,150	1,627,665	759,485
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,800,000)	(1,800,000)	(588,471)	1,211,529
OTHER FINANCING SOURCES (USES):				
Bond proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	(1,800,000)	(1,800,000)	(588,471)	1,211,529
FUND BALANCE (DEFICIT), BEGINNING (AS RESTATED)	2,292,760	2,292,760	2,292,760	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 492,760	\$ 492,760	\$ 1,704,289	\$ 1,211,529

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Budgetary Comparison Schedule
Road District #3 Maintenance Fund
For the Year Ended December 31, 2011

		BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
		ORIGINAL	FINAL		
REVENUES					
Taxes:					
Ad valorem		\$ 576,000	\$ 576,000	\$ 623,410	\$ 47,410
Sales and use		-	-	-	-
Other taxes, penalties, interest, etc.		-	-	-	-
Licenses and permits		-	-	-	-
Intergovernmental:					
Grants - federal and state		-	-	-	-
State funds:					
Parish transportation funds		-	-	-	-
State revenue sharing (net)		32,745	32,745	31,762	(983)
Severance taxes		-	-	-	-
Bridge donations		-	-	247,568	247,568
Other state funds		-	-	-	-
Fees, charges and commissions for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Gaming revenues		-	-	-	-
Joint service agreement		-	-	-	-
Investment earnings		-	-	1,667	1,667
Other revenues		4,000	4,000	17,400	13,400
TOTAL REVENUES		612,745	612,745	921,807	309,062
EXPENDITURES					
General government:					
Legislative		-	-	-	-
Judicial		-	-	-	-
Executive		-	-	-	-
Elections		-	-	-	-
Financial and administrative		-	-	-	-
Other		-	-	-	-
Public safety		-	-	-	-
Public works		1,502,745	1,502,745	336,330	1,166,415
Health and welfare		-	-	-	-
Payments to other governments		-	-	-	-
Economic development and assistance		-	-	-	-
Debt service:					
Principal payments		-	-	-	-
Interest		-	-	-	-
Bond issuance costs		-	-	-	-
Capital outlay		-	-	277,091	(277,091)
TOTAL EXPENDITURES		1,502,745	1,502,745	613,421	889,324
EXCESS (DEFICIENCY) OF					
REVENUES OVER (UNDER) EXPENDITURES		(890,000)	(890,000)	308,386	1,198,386
OTHER FINANCING SOURCES (USES):					
Bond proceeds		-	-	-	-
Transfers in		-	-	-	-
Transfers out		-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		-	-	-	-
NET CHANGE IN FUND BALANCE					
		(890,000)	(890,000)	308,386	1,198,386
FUND BALANCE (DEFICIT), BEGINNING (AS RESTATED)					
		1,303,134	1,303,134	1,303,134	-
FUND BALANCE (DEFICIT) AT END OF YEAR					
		\$ 413,134	\$ 413,134	\$ 1,611,520	\$ 1,198,386

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Budgetary Comparison Schedule
Road District #4 Maintenance Fund
For the Year Ended December 31, 2011

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	(OVER) FINAL
REVENUES				
Taxes:				
Ad valorem	\$ 306,000	\$ 204,000	\$ 206,819	\$ 2,819
Sales and use	-	-	-	-
Other taxes, penalties, interest, etc.	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants - federal and state	-	-	-	-
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing (net)	34,000	30,500	30,606	106
Severance taxes	-	-	-	-
Bridge donations	-	-	1,275,253	1,275,253
Other state funds	-	-	-	-
Fees, charges and commissions for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Gaming revenues	-	-	-	-
Joint service agreement	-	-	-	-
Investment earnings	1,500	-	173	173
Other revenues	-	2,000	11,381	9,381
TOTAL REVENUES	341,500	236,500	1,524,232	1,287,732
EXPENDITURES				
General government:				
Legislative	-	-	-	-
Judicial	-	-	-	-
Executive	-	-	-	-
Elections	-	-	-	-
Financial and administrative	-	-	-	-
Other	-	-	-	-
Public safety	-	-	-	-
Public works	408,045	408,045	203,484	204,561
Health and welfare	-	-	-	-
Payments to other governments	-	-	-	-
Economic development and assistance	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Capital outlay	-	-	1,281,841	(1,281,841)
TOTAL EXPENDITURES	408,045	408,045	1,485,325	(1,077,280)
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	(66,545)	(171,545)	38,907	210,452
OTHER FINANCING SOURCES (USES):				
Bond proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(37,217)	(37,217)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(37,217)	(37,217)
NET CHANGE IN FUND BALANCE	(66,545)	(171,545)	1,690	173,235
FUND BALANCE (DEFICIT), BEGINNING (AS RESTATED)	242,399	242,399	242,399	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 175,854	\$ 70,854	\$ 244,089	\$ 173,235

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
For the Year Ended December 31, 2011
NOTES TO BUDGETARY COMPARISON SCHEDULES

Budgets and budgetary accounting:

The Police Jury follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to November 1, the department heads submit to the Police Jury a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is then legally enacted through passage of a resolution.
4. An amendment involving the transfer of monies from one department to another or from one program or function to another or any other increases in expenditures exceeding amounts estimated must be approved by the Police Jury.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year end. The budgets presented are the originally adopted budget and the final amended budget. Actual amounts may not vary more than 5% from the final amended budget.

The Solid Waste Fund had \$1,816 in excess of budgeted expenditures over budgeted appropriations for 2011.

The final budgets of the following funds were adjusted by more 10% from the original budget and are listed below:

- Road District #4- Ad valorem revenues, investment earnings and other revenues.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Schedule of Funding Progress
For the Year Ended December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded ALL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
December 31, 2009	\$ -	\$ 1,305,619	\$ 1,305,619	0.0%	\$ 1,224,456	107%
December 31, 2010	\$ -	\$ 1,305,619	\$ 1,305,619	0.0%	\$ 1,096,516	119%
December 31, 2011	\$ -	\$ 1,418,298	\$ 1,418,298	0.0%	\$ 1,214,408	117%

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Schedule of Compensation Paid Elected Officials
For the Year Ended December 31, 2011

Board Member	Amount
A. M. Farris	\$ 7,200
Kent Fontenot	14,400
Betty Hayes	14,400
Matthew R. Hollins	14,400
Douglas W. Sonnier	14,400
John Strother	14,400
R. E. Weatherford	14,400
	<u>\$ 93,600</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Federal
U.S. Department of Transportation, FAA - Airport Improvement Program *	20.106	3-22-0042-010-2010	\$ 1,673,374
U.S. Department of Homeland Security - Passed Through the State Department of Military Affairs Office of Homeland Security and Emergency Preparedness Hazard Mitigation Grant *	97.039	1603-DR-LA-0079 1603-003-0002 1603-003-0004	3,521 64,760 295,621 <u>363,902</u>
<u>Other Federal Awards</u>			
U.S. Department of Homeland Security - Passed Through the State Department of Military Affairs Office of Homeland Security and Emergency Preparedness Homeland Security Grant Program	97.067	2008-EM-E8-0047 2008-GE-T8-0013 2009-SS-T9-0059	1,751 38,751 28,339 <u>68,841</u>
Federal Transit Administration, Department of Transportation - Passed Through the State Department of Transportation & Development Formula Grants for Other Than Urbanized Areas	20.509	LA-18-X027 LA-18-X028	52,190 107,181 <u>159,371</u>
Federal Transit Administration, Department of Transportation Passed Through the State Department of Transportation & Development ARRA-Federal Transit Capital Investment Grants	20.500	LA-86-X001	<u>24,805</u>
U.S. Department of Homeland Security - Passed Through the State Department of Military Affairs Office of Homeland Security and Emergency Preparedness Emergency Management Performance Grant	97.042	2011-EP-EO-0058 2010-EP-EO-0058	17,297 21,023 <u>38,320</u>
U.S. Department of Housing & Urban Development - Passed Through the State Division of Administration Community Development Block Grants/State's Program	14.228	02PARA3401 701338 107-801249	3,619 21,400 39,140 <u>64,159</u>
U.S. Department of Homeland Security - Passed Through the State Department of Military Affairs Office of Homeland Security and Emergency Preparedness Interoperable Emergency Communications	97.055	2009-IP-T9-0003	<u>4,568</u>
U.S. Department of Energy - Passed Through the State Department of Natural Resources ARRA - Energy Efficiency Conservation Block Grant Program	81.128	EEA-1002	<u>116,057</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,513,397</u>

*Major federal financial assistance program

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Allen Parish Police Jury. The Allen Parish Police Jury reporting entity is defined in Note 1 to the financial statements for the year ended December 31, 2011. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other governmental agencies. The Airport Improvement Program and Hazard Mitigation Grant Program were considered major federal programs for the Allen Parish Police Jury.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Allen Parish Police Jury and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

The accompanying notes are an integral part of this statement.

INDEPENDENT AUDITOR'S REPORT SECTION

Stutzman & Gates, LLC

Certified Public Accountants

Members:

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Allen Parish Police Jury
Oberlin, Louisiana

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Allen Parish Police Jury as of and for the year ended December 31, 2011, which collectively comprise the Allen Parish Police Jury's basic financial statements and have issued our report thereon dated June 29, 2012. Our report on the financial statements disclosed that the financial statements include only the financial activities of the primary government and that the financial activities of other component units that form the reporting entity are not included. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Allen Parish Police Jury's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Allen Parish Police Jury's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Allen Parish Police Jury's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. See items 2011-1, 2011-2, 2011-3, 2011-4, and 2011-5. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Allen Parish Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2011-3, 2011-4, and 2011-5.

The Allen Parish Police Jury's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Allen Parish Police Jury's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Allen Parish Police Jury, the Legislative Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Stutzman & Gates, LLC". The signature is written in a cursive, flowing style.

Stutzman & Gates, LLC
June 29, 2012

Stutzman & Gates, LLC

Certified Public Accountants

Members:

*American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Allen Parish Police Jury
Oberlin, Louisiana

Compliance

We have audited Allen Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Allen Parish Police Jury's major federal programs for the year ended December 31, 2011. The Allen Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Allen Parish Police Jury's management. Our responsibility is to express an opinion on the Allen Parish Police Jury's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Allen Parish Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Allen Parish Police Jury's compliance with those requirements.

In our opinion, the Allen Parish Police Jury complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the Allen Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Allen Parish Police Jury's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Allen Parish Police Jury's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Allen Parish Police Jury, others within the entity, the Legislative Auditor of the State of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Stutzman & Gates, LLC
June 29, 2012

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

Section I Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Adverse on reporting entity and aggregate discretely presented component units; unqualified on all other opinion units.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> X </u> Yes	<u> </u> None reported
Noncompliance material to financial statements noted?	<u> X </u> Yes	<u> </u> No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	U.S. Department of Transportation, FAA Airport Improvement Program
97.039	U.S. Department of Homeland Security Hazard Mitigation Grant

Dollar threshold used to distinguish between type A and B programs: \$300,000

Auditee qualified as low-risk auditee? Yes X No

Section II - Financial Statement Findings

2011-1 Segregation of Duties

Condition:	Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.
Criteria:	Effective internal control requires adequate segregation of duties among client personnel.
Effect:	Without proper segregation of duties, errors within the financial records or fraud could go undetected.
Recommendation:	To the extent cost effective, duties should be segregated and management should attempt to mitigate this significant deficiency in internal control by supervision and review procedures.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

2011-2 Controls over Financial Reporting

Condition:	In our judgment, the personnel of the Allen Parish Police Jury do not have the specialized accounting training necessary to generate the financial statements, together with related notes in accordance with generally accepted accounting principles (GAAP).
Criteria:	The Auditing Standards Board issued guidance to auditors related to entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. SAS No. 112 emphasizes that the auditor cannot be part of your system of internal control over financial reporting.
Effect:	Misstatements in financial statements could go undetected.
Recommendation:	In our judgment, due to the lack of resources available to management to correct this significant deficiency in financial reporting, we recommend management mitigate this significant deficiency in internal control by having a heightened awareness of all transactions being reported.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

2011-3 Debt Covenants – Sinking Fund Requirements

Requirement:	Bond issues for the following required a sinking fund to be created and funded: Road District #1 COI Series 2010; Road District #4 COI Series 2010; Road District #5A COI Series 2010; Road District #5 COI Series 2008; DA/Airport Building COI Series 2002-A, and Police Jury Building COI Series 2002-B. The specific requirements are that a sinking fund is to be created for each issue and the issuer (police jury) shall deposit in the sinking fund from the first revenues of the tax supporting the issue received in any calendar year a sum equal to the principal and/or interest falling due on the certificates in that calendar year and any amount required to pay the charges of the paying agent. Also the police jury shall transfer from the sinking fund to the paying agent at least one day in advance of each interest payment due, funds fully sufficient to pay promptly the principal and interest falling due on such date.
Condition:	<p>The police jury did not create a separate sinking fund for the above mentioned bond issues and proceeds from the first tax revenues sufficient to pay the principal, interest, and paying agent fees due in 2011 were not deposited into a separate account to be used solely for this purpose. Transfers from the sinking funds were not done at least one day in advance due to the fact that the sinking funds were never created.</p> <p>As of 2012, the police jury did create a separate sinking fund for the above mentioned bond issues and proceeds from the first tax revenues sufficient to pay the principal, interest, and paying agent fees due in 2012 were deposited into a separate account to be used solely for this purpose. Transfers from the sinking funds were done at least one day in advance of the interest payment due, funds fully sufficient to pay promptly the principal and interest falling due on such date.</p>
Context:	We examined all bond issues that had outstanding balances as of January 1, 2011.
Effect:	Failure to comply with debt covenants could have an impact on the police jury's ability to borrow funds in the future. The status of the present bonds could be jeopardized by not complying with these debt covenants. By not setting aside funds from the first taxes received in the calendar year, the police jury's ability to pay the debt requirements when due could be put at risk since these funds can also be used for other purposes within each particular road district.
Cause:	Administrative oversight.
Recommendation:	The police jury should implement policies and procedures to ensure that all bond covenants are followed. Sinking funds should be created for each issue immediately and the balance of debt service payments that are due to be paid in 2012 should be deposited into those accounts.
Views of responsible officials and planned corrective actions:	Police jury management agrees with the finding and corrective action has been taken as of 2012.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

2011-4 Local government budget act – Budgetary authority and control

Condition:	Actual expenditures and other uses exceeded budgeted expenditures and other uses by 334% in the Road District #1 Maintenance Fund for the year ended December 31, 2011. Actual expenditures and other uses exceeded budgeted expenditures and other uses by 273% in the Road District #4 Maintenance Fund for the year ended December 31, 2011.
Criteria:	La. Rev. Stat. §39:1311 (A) (2). Whenever total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding budgeted expenditures and other uses by five percent or more, the budget shall be amended.
Effect:	Violation of local government budget act.
Recommendation:	The Allen Parish Police Jury should amend the budget whenever actual expenditures and other uses plus projected expenditures and other uses exceed budgeted expenditures and other uses by five percent or more.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. The Allen Parish Police Jury will amend its budget whenever necessary in the future.

2011-5 Overlay of Non-Parish Roads

Condition:	Two roads within the town limits of the Town of Kinder (Park Road and Guillory Road) were asphalt overlayed by the police jury in 2011. The estimated cost from the parish engineer for each of these overlays was \$94,000 a piece. A cooperative endeavor agreement was not done between the police jury and the Town of Kinder. Roads within the town limits are the responsibility of the town and not the police jury.
Criteria:	La. Const. art. VII, Sec. 14(c) – for a public purpose, the state and its political subdivisions or political corporation may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual. Whenever public funds are spent, the jury has a duty to ensure that the expenditure does not violate La. Const. art. VII, Sec. 14(A) which prohibits public funds or property being donated.
Effect:	Failure to obtain a cooperative endeavor agreement with the Town of Kinder may have caused a violation of La. Const. art. VII, Sec. 14(A) – a donation of public funds. Parish funds were spent to maintain roads that are the jurisdiction of the Town of Kinder.
Cause:	Administrative oversight.
Recommendation:	The police jury should always follow its policy of obtaining cooperative endeavor agreements with a municipality before expending any parish funds within the boundaries of the municipality.
Views of responsible officials and planned corrective actions:	We concur with this recommendation. Management has taken the necessary steps so this will not occur in the future.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

Section III – Federal Award Findings and Questioned Costs

None.

**Allen Parish Police Jury
Status of Prior Audit Findings
For the Year Ended December 31, 2011**

2010-1 Segregation of Duties

Corrective action taken – Due to the lack of sufficient financial resources, this finding cannot be resolved.
See 2011-1.

2010- 2 Controls over Financial Reporting

Corrective action taken – Due to the lack of sufficient financial resources, this finding cannot be resolved.
See 2011-2.

2010-3 Debt Covenants – Sinking Fund Requirements

Corrective action taken – See Finding 2011-3.

2010-4 Internal Controls Over Procurement and Suspension and Debarment

Corrective action taken – Yes.